1: Pelzer S-5 (1940-1941) 1945 AL1 Southeast Asia AL1

241 787 of the new ladang be a poor one. After three days the same person returns, and if he finds that the offerings have been scattered a new location is chosen and a new attempt is made to get a favorable answer from the spirits. In case the betel leaves have been found undisturbed, all male members of the village have a meal on the chosen land. Then the area is divided among the villagers by the headman. Each individual appeals to the spirits by placing a betel leaf with lime and areca nut on the ladang that has been turned over to him. If the answer is unfavorable he tries again. The betel leaf may be placed three times. If the offering is disturbed each time, the headman turns over a part of his share, which is considerably larger than any of the others, to the less fortunate villager. Throughout the following agricultural year with its stages of clearing, planting, and harvesting, the peasant repeatedly requires the services of the dukun, or *shaman*, as well as the betel leaf.

In other regions details differ, but the essential fact remains that the social-religious life and thinking of the shifting cultivator is bound up with his characteristic form of cultivation.

423 241 621 Shifting cultivators have no concept of private land ownership. The land belongs to the community, the tribe, or the village, and each member has the right to use as much land as he needs and can cultivate. The location of the land that he is to use may be decided upon by the village council or the headman. The person who clears the land and plants the crop gets the produce. Nobody has the right to plant a plot that has been cleared by someone else. As soon as the land is abandoned all rights are forfeited, except the right of the community. However, if trees have been planted, the ownership of the trees and their produce remains with the person who planted them, and he is given preference when the land has had a sufficient fallow period and can again be cultivated.

The Effect of Shifting Cultivation on the Land

241 134 311 As has been stated above, ladangs decline in fertility after the first crop, and obnoxious grasses and weeds appear among the stooling tree stumps. As long as there is an abundance of forest land at his disposal the cultivator prefers to abandon the ladang. Under favorable conditions the grasses will, in turn, give way to second-growth forest. In the course of centuries this second-growth forest may develop into a climax forest, that is, a forest having the same composition as the primeval forest. In any case, when tall forest growth again occurs, the land will have had time to recover its original fertility.

Unfortunately, however, conditions are often not sufficiently favorable for a regeneration of soil fertility and the development of a good second-growth forest. As a matter of fact, the practice of shifting cultivation has altered the character of vegetation beyond recognition over w[illegible] areas in Southeastern Asia. Instead of a dense primeval rain-forest, we now find

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426 of debt lies heavy on them. Indebtedness leads naturally to the transfer of land from peasants to large owners, and then to rack-renting. Protection accordingly takes two forms: one is to protect the people against the loss of land and excessive rents; the other is to protect them against debt.

423 In the tropics generally the western idea of property in land is a modern innovation. Landlords, so far as they existed, were also quasi-feudal lords over the people, and they were more concerned to multiply the number of their followers than the area of their estates. In western feudalism the people went with the land, but in the tropics the land went with the people, who did not pay rent to their overlord but a customary tribute and services. Where there were no landlords, the peasant might enjoy an hereditary title to individual occupation, subject usually to the interests of his whole family group and to the needs of the village or tribal unit. These conditions are inconsistent with economic development by native enterprise, and cultivation for the market gives land and its produce a new value. Cultivators, inspired by economic motives, borrow money in the hope of earning more, and lose their land to moneylenders and large landowners, often absentees. Landowners, old and new, inspired by economic motives, screw up the pitch of rents. Land alienation and rack-renting attract attention, partly because they are the most obvious symptoms of distress, partly because they foster discontent and political unrest, and, of course, to some extent from humanitarian sentiment. The matter first came prominently to notice in India, where there have been various attempts to restrict mortgage and transfer, 'but these measures are easy neither to frame nor to execute', and they seem to have had little success. Similar attempts have failed in Malaya.[1] Ordinarily they are based on the idea of protecting the cultivator against himself, whereas the real trouble is that he needs protection against the economic forces dominating the whole social life of a plural society. In Netherlands India the cultivator has been saved from the disaster that has overwhelmed his fellow in British India by regulations prohibiting the alienation of native land to foreigners and confirming the rule of native customary law in land transactions. This, however, is possible only where development by western enterprise allows or requires the preservation of native authority and native customs.

Where development by western enterprise is the prime object

[1] *African Survey*, p. 873; Mills, p. 251.

7: Furnivall G-4, 5 (no date) 1948 AL1 Southeast Asia AL1

Where development by western enterprise is the prime object 423 426

of colonial policy, land alienation need present no problem, except as regards the lands actually taken up for western enterprise, and even debt may not be serious. Thus, in large parts of Africa, 'so far conditions have not favoured the growth of moneylending; the general restrictions imposed on the sale of native land to non-natives, as well as the limitations which some territories have placed on the giving of credit to natives by non-natives have militated against it'.[1] It is sometimes suggested in British publications that there is little indebtedness in Netherlands India. But that is a mistake. The Dutch have protected the native against the worst result of debt, the loss of land, but not against incurring debt. In the development of British India and Burma by native enterprise the merchant gave out advances to secure produce; in Java the planter gave advances to secure labour. The actual moneylender is usually a middleman, in the Tropical Far East mostly Indian or Chinese, who reaps some of the profit that would otherwise be divided between natives and Europeans, with a lion's share to the latter. In such circumstances exporters of produce have a common interest with cultivators. Moreover, as is conspicuously illustrated in Burma, the transfer of land to people whose sole interest is to exact the highest rent, tends to reduce the outturn. Thus everywhere in the Tropical Far East we find sympathy for the cultivators in the clutches of middlemen: in Indo-China 'the chetty is a plague', in the Dutch Indies 'the foreign asiatic is worse than ten epidemics', in Burma the wiles of both *chettyars* and Chinese were denounced so far back as the early eighties. Both practical and humanitarian considerations demand a solution for the problem of indebtedness.

The favourite remedy for debt is the encouragement of co-operative credit societies. But this is no cure for debt, and it may quite possibly aggravate the disease which is the chief cause of debt, the disintegration of society by economic forces. It is no cure for debt, because the success of co-operative credit requires a genuine acceptance of co-operative principles, and this is a slow process, while debt increases daily. It tends to aggravate disintegration, because the principles on which it rests are contrary to those which form the basis of native social life and, indeed, of social life in general. The suggestion that co-operative credit accords with native ideas as being communal in character is mistaken.[2] The village community embraces all the inhabitants of the village in a common bond for all the purposes

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[1] *African Survey*, p. 872. [2] *Ib.* p. 1482.

453 may give the people new opportunities of improving their condition, and, if well managed, may give some protection against economic 426 forces, which public works, even irrigation works for the benefit of native enterprise, do not attempt. For the relation between 474 the co-operative movement and State credit, we may find a parallel in the relation between economic services aiming to increase collective production and those aiming to increase individual production. We have noticed that ordinarily the former fail because it is impracticable to obtain collective action by a sufficient number over a sufficient area, whereas the latter may meet with some success. Yet even individuals who take advantage of the new opportunities to produce more, ordinarily receive no lasting benefit, because they are unable to withstand the economic pressure of the environment. Co-operative credit and State credit are alike intended to strengthen them against this pressure. Experience in Netherlands India suggests that State credit has better chances of success. But it is important to appreciate the conditions of success. The State banks in Netherlands India have achieved useful results because the land policy protects cultivators against the impact of the West, and not because the banks protect them against the natural consequences of this impact. Similarly the pawnshops have been useful because the State monopoly of pawnbroking protects the people against the action of economic forces, and not merely against their natural consequences. State credit has no virtue in itself. It may, as has been charged against State banks in Netherlands India, merely increase the volume of indebtedness, and it is liable to become just an instrument of economic progress instead of helping to promote welfare. As an instrument of welfare it is of value only so far as it is accompanied by other measures in a comprehensive welfare policy.

7. Western Enterprise and Labour

423 The problems arising out of tropical development by western enterprise have a different character, and are more readily apparent and more urgent. In some cases it may lead to agrarian distress, but this is found chiefly where lands available for native occupation have been curtailed by the grant of large estates for European settlement. Such conditions present special difficulties. Formerly in Burma waste lands were granted or leased for European enterprise, but this resulted in the oppression of the natives, both on the estates and in their neighbourhood, and the concessions remained uncultivated

7: Furnivall G-4, 5 (no date) 1948 AL1 Southeast Asia AL1

long after the surrounding land had been brought under the plough by natives. That seems to be the general result. In Netherlands India the large estates, created at the beginning of the nineteenth century, were an endless source of trouble and unrest; much of the land long remained unworked, the owners were often absentees, aiming solely at profit and with no personal interest in the welfare of the occupants who were more grievously oppressed than elsewhere. Moreover, the grants tended to pass into the hands of foreign Europeans and orientals, and during the present century this stimulated the Government to adopt a policy of gradually resuming them. In Africa the difficulties arising out of western agricultural settlements are notorious, and European settlers, when faced by even a remote prospect of their eventual displacement by foreign orientals, have carried opposition to the point of threatening armed resistance.[1] The possibility of European settlement in the tropics, however, is confined to particular localities, and it presents, though with special characters, features common to development by western enterprise in general. The outstanding problem in regions developed by western enterprise is not directly concerned with land-holding and debt, but with the relations between western enterprise and native labour.

The first condition of the economic development of backward areas is an adequate supply of labour. Even native enterprise creates a new demand for labour, and we have seen in Burma how this demand has led to a seasonal supply and to the industrialization of agricultural production. But the expansion of native enterprise is gradual, and it can obtain much of its labour from customary sources and dispose of its produce along established routes. Western enterprise, whether in mines or plantations, being usually situated in thinly peopled tracts, requires a large volume of labour quickly, and also requires new and more rapid means of transport; there is a sudden and large demand for labour both on private enterprise and public works. The Government must provide this labour. The provision of labour is no longer necessary when free labour becomes available, but free labour needs protection. Then, as employers gradually realize that healthy and intelligent labour is less costly, attention is directed to improving the conditions of work. Thus in general, labour policy in tropical dependencies passes through three stages: the provision of labour; the protection of labour against abuse; and the promotion of labour welfare.

[1] *African Survey*, p. 165.

7: Janlekha X-4,5 (1948-1953)1956 AO7 Central Thai
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thus set a new stage -- the development of the natural resources of the whole region.

This change-over from a subsistence economy to a commercial economy involved the large-scale expansion of traditional crops or the development of new commercial crops. It was stimulated by the introduction or expansion of a money economy, the flow of capital and the development of land and sea transport. It was supported by Western technology, methods of administration and systems of justice. This whole process greatly affected the traditional institution, upsetting the balance of a medieval world. The free, individualist spirit of Western rule and commerce cut at the roots of traditional social life, undermining the corporate strength of family and village. But the most serious direct threat of the new economic forces was to the peasant's ownership of land. Expanding economies, new money taxes and cheap imports meant better business than ever for the money lender. Many peasants became ruined by debt and lost their lands. Indebtedness and debt slavery were not new in Southeast Asia; the latter was fairly soon stamped out, but the former now became much more widespread than before, resulting in the creation of a landless proletariat.[16]

Characteristics of Current Southeast Asian Economy

In spite of all the differences among the countries of Southeast Asia in the natural environment, ethnic

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16. Harrison, op. cit., p. 210.